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Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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May 19, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT
(ALL DISTRICTS AFFECTED - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA - 6619424	\$243,602
(2)	Account Number	H/UCLA - 6737238	\$18,000
(3)	Account Numbers	H/UCLA - 5755694, 5867177, 5921465	\$8,333
(4)	Account Numbers	H/UCLA - 6144340 and other accounts.	\$5,926
(5)	Account Number	H/UCLA - 5717385	\$3,950
(6)	Account Number	H/UCLA - 4796182	\$1,333
(7)	Account Numbers	LAC + USC - 0917342, 0911413	\$1,300

PURPOSE OF THE RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) - (2) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patients, except for possible beneficiary coinsurance or deductible obligations. The compromise offers of settlement for patient accounts (3) - (6) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the tort settlements involved in these cases. The compromise offer of settlement for patient account (7) is recommended because the patient can not pay the full amount of charges based on her current financial status and this is the highest amount her church is willing to contribute to settle the account.

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JUSTIFICATION:

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

FISCAL IMPACT:

This will expedite the County's recovery of partial payment totaling approximately \$282,444.

FINANCING:

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in tort settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and the lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

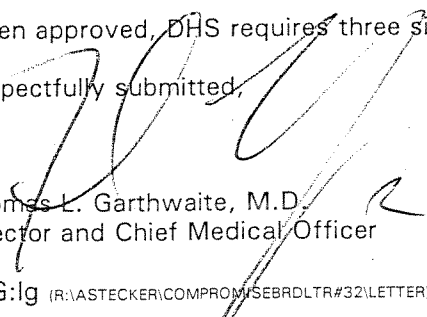
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lg (R:\ASTECKER\COMPROMISE\BRDLTR#32\LETTER)

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: May 19, 2005

Total Charges	\$348,003	Account Number	6619424
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$348,003	Date of Service	12/05/2004 – 01/01/2005
Compromise Amount Offered	\$243,602	% Of Charges	70%
Amount to be Written Off	\$104,401	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: May 19, 2005

Total Charges	\$43,427	Account Number	6737238
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$43,427	Date of Service	03/13/2005 – 03/16/2005
Compromise Amount Offered	\$18,000	% Of Charges	41%
Amount to be Written Off	\$25,427	Facility	H/UCLA Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: May 19, 2005

Total Charges	\$49,510	Account Number	5755694, 5867177, 5921465
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$49,510	Date of Service	10/29/2003 -11/03/2003, 11/18/2003, 12/16/2003
Compromise Amount Offered	\$8,333	% Of Charges	17%
Amount to be Written Off	\$41,177	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus motorcycle accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$49,510 for medical services rendered. The patient's third-party claim has been settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$8,250	\$8,250	33%
Attorney Cost	\$340	\$340	2%
H/UCLA Medical Center	\$49,510	\$8,333	33%
Patient	-	\$8,077	32%
Total		\$25,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: May 19, 2005

Total Charges	\$28,363	Account Number	6144340 and other outpatient accounts
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$28,363	Date of Service	04/07/2004 -04/09/2004 and other dates of service
Compromise Amount Offered	\$5,926	% Of Charges	21%
Amount to be Written Off	\$22,437	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$28,363 for medical services rendered. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees*	\$6,000	\$4,085	27%
Attorney Cost	\$318	\$318	2%
H/UCLA Medical Center	\$28,363	\$5,926	40%
Other Lien Holders	\$2,432	\$587	4%
Patient	-	\$4,084	27%
Total		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

* The patient's lawyer has reduced his fees from 40% to 27%.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: May 19, 2005

Total Charges	\$50,082	Account Number	5717385
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$50,082	Date of Service	09/03/2003 – 09/06/2003
Compromise Amount Offered	\$3,950	% Of Charges	8%
Amount to be Written Off	\$46,132	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$50,082 for medical services rendered. The patient's third-party claim has been settled for \$11,840 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees	\$4,000	\$3,000	25%
Attorney Cost	\$500	\$0	--
H/UCLA Medical Center	\$50,082	\$3,950	33%
Other Lien Holders	\$8,757	\$2,994	25%
Patient	-	\$1,896	17%
Total		\$11,840	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: May 19, 2005

Total Charges	\$17,586	Account Number	4796182
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$17,586	Date of Service	05/27/2002 -05/29/2002
Compromise Amount Offered	\$1,333	% Of Charges	8%
Amount to be Written Off	\$16,253	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$17,586 for medical services rendered. The patient's third-party claim has been settled for \$4,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Attorney fees *	\$1,333	\$0	-
H/UCLA Medical Center	\$17,586	\$1,333	33%
Patient	-	\$2,667	67%
Total		\$4,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

* The patient's lawyer has waived his fees to increase allocation to patient.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: May 19, 2005

Total Charges	\$25,628	Account Numbers	0917342, 0911413
Amount Paid	\$0	Service Type	Inpatient and Outpatient
Balance Due	\$25,628	Dates of Service	01/15/2004 – 01/19/2004, 01/14/2004
Compromise Amount Offered	\$1,300	% of Charges	5%
Amount to be Written Off	\$24,328	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient is a foreign nun visiting the United States who became ill and required emergency services. She was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$25,628 for medical services rendered. The payment offered is from donations from friends. Based on financial information provided, it appears that patient does not have the financial means to pay the full cost of care.